AIR POUCH
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773.5-MSP/1-1956

FOREIGN SERVICE DESPATCH

257
DESP. NO.

FROM : American Embassy, Tripoli

TO : THE DEPARTMENT OF STATE, WASHINGTON.

January 19, 1956
DATE

REF : Embtel 348, January 17, 1956; Deptel 283, January 20, 1956; Embdesp 254, January 18, 1956

15 For Dept. Use Only	ACTION	DEPT.
	REC'D	INFO OTHER

SUBJECT: Transfer of LARC funds

JOINT EMBASSY/USOM MESSAGE

The Embassy forwards as Enclosure No. 1 the original of a request from Ali Sahli, Chairman of the Libyan-American Reconstruction Commission (LARC) for the transfer of $5,000,000 from the LARC account held by the Secretary of the Treasury to a dollar account in the Guaranty Trust Company of New York. There is attached a copy of a letter from the National Bank of Libya to the Guaranty Trust Company concerning this transfer.

LARC has on deposit in the Secretary of the Treasury account $8,000,000, $3,000,000 of which are invested in U. S. Government 90-day bills. These $3,000,000 will continue to be invested in the same manner until further notice, and the remaining $5,000,000 should be transferred as requested. The letter of request and the copy of the National Bank's letter to the Guaranty Trust are forwarded in reproducible despatch form as Enclosure No. 2 for the Department's records.

The purposes for which this amount is being transferred cannot be given precisely. In view of the Treasury's desire that individual payments not be made directly from LARC's Treasury account and since the Treasury presumably also wishes to avoid a constant succession of small transfers, LARC funds will be withdrawn from the Treasury account in amounts sufficient to cover estimated expenditures for six months or more, and precise details of the purposes for which they will be used cannot usefully be given in advance. These purposes, however, can be generally determined in advance from reported LARC earmarkings and allotments. The actual projects for the execution of which money has been transferred to an action agency will be shown in Program Status Reports similar to the one forwarded to the Department as Enclosure No. 1 to Despatch 254 of January 18, 1956.

It is believed that these reports should be sufficient to enable the Department and ICA to give the necessary accounting to Congress.

FOR THE Ambassador:

David G. Nes
First Secretary of Embassy

DEPARTMENT OF STATE
REVIEWED BY G. M. Raf DATE May 6, 1982

cc: Benghazi

Enc: 2

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ACTION COPY — DEPARTMENT OF STATE

The action office must return this permanent record copy to DDR files with an endorsement of action taken.

This Document Must Be Returned to RM/R
Central Files
FEB 8 PM
773.5-MSP/1-1956
LWC

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(Classification)

DECLASSIFIED

COPY

January 15, 1956

The Honourable John L. Tappin,
Ambassador of the United States of America in Libya,
Tripoli

Excellency,

This is to request that Five Million Dollars ($5,000,000) of the Eight Million Dollars ($8,000,000) now held in cash by the Treasury Department of the United States in the account of the Libyan-American Reconstruction Commission be transferred to a U. S. Dollar Account held for L.A.R.C. in the Guaranty Trust Company of New York.

This is in accordance with the exchange of letters dated October 1, 1955 from Your Excellency to the Minister of Finance, and October 15, 1955 from the Minister of Finance to Your Excellency regarding the Four Million Dollars ($4,000,000) U. S. Economic Assistance for U.S. fiscal year 1955; and the letters dated April 5, 1955 from Your Excellency to His Excellency the Prime Minister and dated April 12, 1955 from His Excellency the Prime Minister to Your Excellency regarding the Four Million Dollars ($4,000,000) U. S. Economic Assistance for the U. S. Fiscal year 1954. These letters requested that the sums of money referred to, be deposited in a L.A.R.C Account in the United States Treasury and stated that funds would be transferred out of such account by request of the Chairman of the Libyan-American Reconstruction Commission.

It is requested that the check in the amount of Five Million Dollars ($5,000,000) be made out to "The National Bank of Libya - for Account of L.A.R.C.". The check should be sent directly to:-

The Guaranty Trust Company of New York
Foreign Department
140 Broadway
New York 15, New York

It will be appreciated if you will transmit this request to the Treasury Department of the United States for early action.

A copy of the letter sent by the National Bank of Libya to The Guaranty Trust Co. of New York regarding this account is enclosed.

Yours truly,

Ali Sahli
Chairman
Libyan-American Reconstruction Commission

Encl.

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DECLASSIFIED

UNCLASSIFIED
(Classification)

COPY

AIR MAIL

National Bank of Libya
P.O. Box 1103
Tripoli - Libya

January 12, 1956

The Guaranty Trust Company of New York,
Foreign Department,
140 Broadway,
New York, 15, N.Y.
U.S.A.

Dear Sirs:

We maintain in our books an account in United States Currency in the name of the Libyan-American Reconstruction Commission (L.A.R.C.) and we are informed that, in order to replenish their funds, the Commission will shortly request the United States Treasury to pay you the sum of $5,000,000, (Five million dollars) to be credited to our account, for account of L.A.R.C.

Please advise us promptly when the amount has been received so that we may inform our customer.

Yours faithfully,

(B.W.Talbot)
COMMERCIAL MANAGER

BWT/IW

UNCLASSIFIED

TELEPHONE 1626

لجنة الإنشاء الليبية الامريكية
LIBYAN-AMERICAN RECONSTRUCTION COMMISSION

P. O. BOX 687 TRIPOLI, LIBYA

صندوق البريد رقم ٦٨٧ طرابلس ليبيا

January 15, 1956.

The Honourable John L. Tappin,
Ambassador of the United States of America in Libya
Tripoli

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Yours truly,

Ali Sahli
Chairman
Libyan-American Reconstruction Commission

Encl.

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C.O.P.

- National Bank of Libya

P.O.Box 1103

Tripoli - Libya

12th January, 1956.

AIR MAIL

The Guaranty Trust Company of New York,
Foreign Department,
140, Broadway,
NEW YORK, 15, N.Y.
U.S.A.

Dear Sirs,

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signed

(B.W. Talbot)
COMMERCIAL MANAGER

BWT/IW

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